



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

May 26, 1994

Mr. Andrew Edwards
Manager of Operations
238 East 100 North
Kanab, Utah 84741

Re: Off-site processing facility, March Corporation, Bald Knoll Mine, M/025/012,
Kane County, Utah

Dear Mr. Edwards:

As part of the review process for your Notice of Intention to Commence Large Mining Operations at the Bald Knoll Mine, you advised us that you plan on hauling the mined ore @29 miles to another new facility for further processing. It is our preliminary opinion that this processing facility may also require a permit from this office. According to section 40-8-4(8)(a) of the Mined Land Reclamation Act of 1975 (Act), a "mining operation" is defined as follows:

"Mining operation" means those activities conducted on the surface of the land for the exploration for, development of, or extraction of a mineral deposit, **including, but not limited to**, surface mining and the surface effects of underground and in situ mining, on-site transportation, **concentrating, milling, evaporation, and other primary processing.**

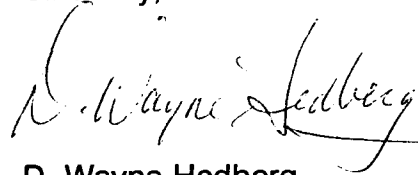
It is our present understanding that you will be performing additional milling or primary processing of the ore at this facility; therefore, we should receive and process a separate notice/permit for this operation. Please find enclosed a Notice of Intent to Conduct Small Mining Operations (SMO). If this facility will disturb five acres or less, please fill out the SMO and return it to us as soon as possible. If this facility will disturb more than five acres at any time, a Large Mining Notice must be filed in a similar fashion as has been done for the Bald Knoll Mine. Since bonding is not required for small mining operations, it may be to your advantage to limit the disturbance at this processing facility to five acres or less.



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Thank you for your cooperation. If you have any questions please contact me or Travis Jones of the Minerals staff.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosure
cc: Lowell Braxton, DOGM
Travis Jones, DOGM
Minerals File
Baldknol.let